

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
FOR THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of) NAVIGATOR TELECOMMUNICATIONS, LLC,) for a license to provide basic local exchange service) on a resold basis in selected Ameritech Michigan) exchanges.) _____)	Case No. U-11848
In the matter of the application of) CONCERT COMMUNICATIONS SALES LLC) to provide local exchange services throughout) Michigan in local exchanges currently serviced by) Ameritech Michigan and GTE North Incorporated.) _____)	Case No. U-11951
In the matter of the application of) PRIMUS TELECOMMUNICATIONS, INC., for a) license to provide basic local exchange telecommu-) nications service in all exchanges and zones currently) served by Ameritech Michigan, GTE North Incorp-) orated, and Contel of the South, Inc., d/b/a GTE) Systems of Michigan.) _____)	Case No. U-12360
In the matter of the application of the) CITY OF HILLSDALE ADVANCED) COMMUNICATIONS UTILITY OF THE) BOARD OF PUBLIC UTILITIES for a license to) provide basic local exchange service in selected) exchanges currently served by Ameritech Michigan.) _____)	Case No. U-12484
In the matter of the application of) NAVIGATOR TELECOMMUNICATIONS, LLC,) to amend the geographic service area of its license to) provide basic local exchange service to encompass) all of the zones and exchanges in Michigan currently) served by GTE North Incorporated, Contel of the) South, Inc., d/b/a GTE Systems of Michigan, and) Ameritech Michigan.) _____)	Case No. U-12557

In the matter of the application of)
BELL CONNECT, INC., for a license to provide) Case No. U-12742
basic local exchange service.)
_____)

In the matter of the application of)
MEDIAGATE COMMUNICATIONS, INC.,) Case No. U-12870
for a license to provide basic local exchange service in)
all zones and exchanges in the service areas of)
Verizon North Inc., Verizon North Systems,)
CenturyTel of Michigan, Incorporated, CenturyTel of)
Northern Michigan, Incorporated, CenturyTel of)
Midwest-Michigan, Incorporated, and CenturyTel of)
Upper Michigan, Incorporated.)
_____)

In the matter of the application of)
ERNEST COMMUNICATIONS, INC., for a license) Case No. U-12993
to provide basic local exchange service throughout the)
state of Michigan in the zone and exchange areas)
served by Ameritech Michigan, Verizon North Inc.,)
Contel of the South, Inc., d/b/a Verizon North)
Systems, CenturyTel of Michigan, Inc., CenturyTel of)
Northern Michigan, Inc., CenturyTel Midwest, Inc.,)
and CenturyTel of the Upper Peninsula, Inc.)
_____)

In the matter of the application of)
WAYPOINT TELECOMMUNICATIONS, LLC,) Case No. U-13090
for a license to provide basic local exchange service.)
_____)

In the matter of the application of)
CM TEL (USA) LLC for a license to provide basic) Case No. U-13810
local exchange service in the zone and exchange areas)
presently served by Verizon North Inc. and Contel of)
the South, Inc., d/b/a Verizon North Systems, and)
SBC Ameritech Michigan.)
_____)

In the matter of the application of)
AFFORDABLE VOICE COMMUNICATIONS, INC.,)
for a license to provide basic local exchange services)
in the LATA exchanges currently served by SBC)
Michigan, Verizon North Inc. and Contel of the South,)
Inc., d/b/a Verizon North Systems, and other)
incumbent local exchange carriers.)
_____)

Case No. U-14047

In the matter of the application of)
INFOTELECOM, LLC, for a license to provide)
basic local exchange service throughout the state of)
Michigan in the zone and exchange areas served by)
Verizon North Inc. and Contel of the South, Inc., d/b/a)
Verizon North Systems, and SBC Michigan.)
_____)

Case No. U-14433

In the matter of the application of)
IBFA ACQUISITION COMPANY, LLC, for a)
license to provide basic local exchange service in the)
LATA exchanges currently served by SBC Michigan)
and Verizon North Inc. and Contel of the South, Inc.,)
d/b/a Verizon North Systems.)
_____)

Case No. U-14479

In the matter of the application of)
COST PLUS COMMUNICATIONS, LLC, for a)
license to provide basic local exchange service)
throughout Michigan in the zones and exchanges)
served by Verizon North Inc., Contel of the South,)
Inc., d/b/a Verizon North Systems, and AT&T)
Michigan.)
_____)

Case No. U-14931

In the matter of the application of)
MARKUR COMMUNICATIONS, LLC, for a)
license to provide basic local exchange service)
throughout the state of Michigan.)
_____)

Case No. U-15435

In the matter of the application of)
iNETWORKS GROUP, INC., for a license to)
provide basic local exchange service.)
_____)

Case No. U-15798

In the matter of the application of)
DYNALINK COMMUNICATIONS, INC., for a)
license to provide basic local exchange service.)
_____)

Case No. U-16002

In the matter of the application of)	
DRENTHE TELECOM LLC for a license to)	Case No. U-16236
provide basic local exchange service.)	
_____)	
In the matter of the application of)	
NETARX LLC for a license to provide basic local)	Case No. U-16286
exchange service.)	
_____)	
In the matter of the application of)	
IBC TELECOM CORP. for a license to provide)	Case No. U-16391
basic local exchange service.)	
_____)	
_____)	
In the matter, on the Commission's own motion, to)	
commence formal basic local exchange service license)	
revocation proceedings against)	
AFFORDABLE VOICE COMMUNICATIONS,)	Case No. U-18008
INC., BT COMMUNICATIONS SALES LLC,)	
f/k/a CONCERT COMMUNICATIONS SALES)	
LLC, CALL GIANT, INC., f/k/a BELL)	
CONNECT, INC., CITY OF HILLSDALE)	
ADVANCED COMMUNICATIONS)	
UTILITY OF THE BOARD OF PUBLIC)	
UTILITIES, COMNET (USA) LLC, f/k/a CM)	
TEL (USA) LLC, COST PLUS)	
COMMUNICATIONS, LLC, DRENTHE)	
TELECOM LLC, DYNALINK COMMUN-)	
ICATIONS, INC., ERNEST COMMUNICAT-)	
IONS, INC., IBC TELECOM CORP., IBFA)	
ACQUISITION COMPANY, LLC, iNETWORKS)	
GROUP, INC., INFOTELECOM, LLC, MARKUR)	
COMMUNICATIONS, LLC, MEDIAGATE)	
COMMUNICATIONS, INC., NAVIGATOR)	
TELECOMMUNICATIONS, LLC, NETARX)	
LLC, PRIMUS TELECOMMUNICATIONS, INC.,)	
and WAYPOINT FIBER NETWORKS, LLC.,)	
f/k/a WAYPOINT TELECOMMUNICATIONS,)	
LLC)	
_____)	

NOTICE OF PROPOSAL FOR DECISION

The attached Proposal for Decision is being issued and served on all parties of record in the above matter on March 10, 2016.

Exceptions, if any, must be filed with the Michigan Public Service Commission, 7109 West Saginaw, Lansing, Michigan 48917, and served on all other parties of record on or before March 31, 2016, or within such further period as may be authorized for filing exceptions. If exceptions are filed, replies thereto may be filed on or before April 14, 2016.

The Commission has selected this case for participation in its Paperless Electronic Filings Program. No paper documents will be required to be filed in this case.

At the expiration of the period for filing exceptions, an Order of the Commission will be issued in conformity with the attached Proposal for Decision and will become effective unless exceptions are filed seasonably or unless the Proposal for Decision is reviewed by action of the Commission. To be seasonably filed, exceptions must reach the Commission on or before the date they are due.

MICHIGAN ADMINISTRATIVE HEARING
SYSTEM

For the Michigan Public Service Commission

**Martin D.
Snider**

Digitally signed by Martin D.
Snider

DN: cn=Martin D. Snider, o, ou,
email=sniderm@michigan.gov,
c=US

Date: 2016.03.17 15:00:34 -04'00'

Martin D. Snider
Administrative Law Judge

March 10, 2016
Lansing, Michigan

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
FOR THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of) NAVIGATOR TELECOMMUNICATIONS, LLC,) for a license to provide basic local exchange service) on a resold basis in selected Ameritech Michigan) exchanges.) _____)	Case No. U-11848
In the matter of the application of) CONCERT COMMUNICATIONS SALES LLC) to provide local exchange services throughout) Michigan in local exchanges currently serviced by) Ameritech Michigan and GTE North Incorporated.) _____)	Case No. U-11951
In the matter of the application of) PRIMUS TELECOMMUNICATIONS, INC., for a) license to provide basic local exchange telecommu-) nications service in all exchanges and zones currently) served by Ameritech Michigan, GTE North Incorp-) orated, and Contel of the South, Inc., d/b/a GTE) Systems of Michigan.) _____)	Case No. U-12360
In the matter of the application of the) CITY OF HILLSDALE ADVANCED) COMMUNICATIONS UTILITY OF THE) BOARD OF PUBLIC UTILITIES for a license to) provide basic local exchange service in selected) exchanges currently served by Ameritech Michigan.) _____)	Case No. U-12484
In the matter of the application of) NAVIGATOR TELECOMMUNICATIONS, LLC,) to amend the geographic service area of its license to) provide basic local exchange service to encompass) all of the zones and exchanges in Michigan currently) served by GTE North Incorporated, Contel of the) South, Inc., d/b/a GTE Systems of Michigan, and) Ameritech Michigan.) _____)	Case No. U-12557

In the matter of the application of)
BELL CONNECT, INC., for a license to provide) Case No. U-12742
basic local exchange service.)
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In the matter of the application of)
MEDIAGATE COMMUNICATIONS, INC.,) Case No. U-12870
for a license to provide basic local exchange service in)
all zones and exchanges in the service areas of)
Verizon North Inc., Verizon North Systems,)
CenturyTel of Michigan, Incorporated, CenturyTel of)
Northern Michigan, Incorporated, CenturyTel of)
Midwest-Michigan, Incorporated, and CenturyTel of)
Upper Michigan, Incorporated.)
_____)

In the matter of the application of)
ERNEST COMMUNICATIONS, INC., for a license) Case No. U-12993
to provide basic local exchange service throughout the)
state of Michigan in the zone and exchange areas)
served by Ameritech Michigan, Verizon North Inc.,)
Contel of the South, Inc., d/b/a Verizon North)
Systems, CenturyTel of Michigan, Inc., CenturyTel of)
Northern Michigan, Inc., CenturyTel Midwest, Inc.,)
and CenturyTel of the Upper Peninsula, Inc.)
_____)

In the matter of the application of)
WAYPOINT TELECOMMUNICATIONS, LLC,) Case No. U-13090
for a license to provide basic local exchange service.)
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In the matter of the application of)
CM TEL (USA) LLC for a license to provide basic) Case No. U-13810
local exchange service in the zone and exchange areas)
presently served by Verizon North Inc. and Contel of)
the South, Inc., d/b/a Verizon North Systems, and)
SBC Ameritech Michigan.)
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In the matter of the application of)
AFFORDABLE VOICE COMMUNICATIONS, INC.,)
for a license to provide basic local exchange services)
in the LATA exchanges currently served by SBC)
Michigan, Verizon North Inc. and Contel of the South,)
Inc., d/b/a Verizon North Systems, and other)
incumbent local exchange carriers.)
_____)

Case No. U-14047

In the matter of the application of)
INFOTELECOM, LLC, for a license to provide)
basic local exchange service throughout the state of)
Michigan in the zone and exchange areas served by)
Verizon North Inc. and Contel of the South, Inc., d/b/a)
Verizon North Systems, and SBC Michigan.)
_____)

Case No. U-14433

In the matter of the application of)
IBFA ACQUISITION COMPANY, LLC, for a)
license to provide basic local exchange service in the)
LATA exchanges currently served by SBC Michigan)
and Verizon North Inc. and Contel of the South, Inc.,)
d/b/a Verizon North Systems.)
_____)

Case No. U-14479

In the matter of the application of)
COST PLUS COMMUNICATIONS, LLC, for a)
license to provide basic local exchange service)
throughout Michigan in the zones and exchanges)
served by Verizon North Inc., Contel of the South,)
Inc., d/b/a Verizon North Systems, and AT&T)
Michigan.)
_____)

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MARKUR COMMUNICATIONS, LLC, for a)
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iNETWORKS GROUP, INC., for a license to)
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_____)

Case No. U-15798

In the matter of the application of)
DYNALINK COMMUNICATIONS, INC., for a)
license to provide basic local exchange service.)
_____)

Case No. U-16002

In the matter of the application of)
DRENTHE TELECOM LLC for a license to)
provide basic local exchange service.)

In the matter of the application of)
NETARX LLC for a license to provide basic local)
exchange service.)

In the matter of the application of)
IBC TELECOM CORP. for a license to provide)
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In the matter, on the Commission's own motion, to)
commence formal basic local exchange service license)
revocation proceedings against)
AFFORDABLE VOICE COMMUNICATIONS,)
INC., BT COMMUNICATIONS SALES LLC,)
f/k/a CONCERT COMMUNICATIONS SALES)
LLC, CALL GIANT, INC., f/k/a BELL)
CONNECT, INC., CITY OF HILLSDALE)
ADVANCED COMMUNICATIONS)
UTILITY OF THE BOARD OF PUBLIC)
UTILITIES, COMNET (USA) LLC, f/k/a CM)
TEL (USA) LLC, COST PLUS)
COMMUNICATIONS, LLC, DRENTHE)
TELECOM LLC, DYNALINK COMMUN-)
ICATIONS, INC., ERNEST COMMUNICAT-)
IONS, INC., IBC TELECOM CORP., IBFA)
ACQUISITION COMPANY, LLC, iNETWORKS)
GROUP, INC., INFOTELECOM, LLC, MARKUR)
COMMUNICATIONS, LLC, MEDIAGATE)
COMMUNICATIONS, INC., NAVIGATOR)
TELECOMMUNICATIONS, LLC, NETARX)
LLC, PRIMUS TELECOMMUNICATIONS, INC.,)
and WAYPOINT FIBER NETWORKS, LLC.,)
f/k/a WAYPOINT TELECOMMUNICATIONS,)
LLC)

PROPOSAL FOR DECISION

I.

PROCEDURAL HISTORY

On December 22, 2015, the Michigan Public Service Commission (Commission) issued a Show Cause Order which alleged violations of the Michigan Telecommunications Act (MTA) at MCL 484.2315(2). The Commission's December 22 Order directed each of the following licensee/providers to file a petition to intervene in this matter by January 25, 2016, and appear at a February 10, 2016 hearing:

Affordable Voice Communications, Inc., BT Communications Sales LLC, f/k/a Concert Communications Sales LLC, Call Giant, Inc., f/k/a Bell Connect, Inc., City of Hillsdale Advanced Communications Utility of the Board of Public Utilities, Comnet (USA) LLC, f/k/a CM Tel (USA) LLC, Cost Plus Communications, LLC, Drenthe Telecom LLC, Dynalink Communications, Inc., Ernest Communications, Inc., IBC Telecom Corp, IBFA Acquisition Co. LLC, iNetworks Group, Inc., Infotelecom, LLC, Markur Communications, LLC, MediaGate Communications, Inc., Navigator Telecommunications LLC, Netarx LLC, Primus Telecommunications, Inc., and Waypoint Fiber Networks, LLC, f/k/a Waypoint Telecommunications, LLC.

On February 10, 2016, a hearing on this matter was convened. Heather Durian, Assistant Attorney General, appeared on behalf of the Commission's staff (Staff). All the licensees in this matter neither filed Petitions to Intervene nor appeared at the hearing.

During the February 10, 2016 evidentiary hearing, the following testimony was bound into the record.

For Staff: Direct testimony of Julie E. Ginevan

For Respondent/ Licensees: None

Staff Exhibits:	S-1	Company List
	S-2	Corporation Information and Non- Response Information
	S-3	Certified Letter to Tariffed Companies
	S-4	Certified Letter to Non- Tariffed Companies

No briefs were filed in this matter. The record consists of 27 transcript pages and 4 exhibits.

II.

BACKGROUND

On December 22, 2015, the Commission issued a Show Case Order directing Affordable Voice Communications, Inc., BT Communications Sales LLC, f/k/a Concert Communications Sales LLC, Call Giant, Inc., f/k/a Bell Connect, Inc., City of Hillsdale Advanced Communications Utility of the Board of Public Utilities, Comnet (USA) LLC, f/k/a CM Tel (USA) LLC, Cost Plus Communications, LLC, Drenthe Telecom LLC, Dynalink Communications, Inc., Ernest Communications, Inc., IBC Telecom Corp, IBFA Acquisition Co. LLC, iNetworks Group, Inc., Infotelecom, LLC, Markur Communications, LLC, MediaGate Communications, Inc., Navigator Telecommunications LLC, Netarx LLC, Primus Telecommunications, Inc., and Waypoint Fiber Networks, LLC, f/k/a Waypoint Telecommunications, LLC. to show cause why each licensee should not be found to be in violation of Section 302 of the Michigan Telecommunications Act (MTA). Pursuant to U-18008 *et al.*

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the licensing provisions set forth in the Michigan Telecommunications Act, 1991 PA 179, MCL 484.2101 *et seq.*, the Commission granted each of these licensees a license to provide basic local exchange service in Michigan. All basic local exchange service licensees are required, among other things, to “comply with all federal and state requirements regarding truth in billing, 9-1-1 services and basic local exchange services.” See MCL 484.2305b. In addition, basic local exchange service licensees must comply with all Commission orders and Commission staff requests.

MCL 484.2601(d) authorizes the Commission to revoke a basic local exchange service license through a twostep process. A formal action license revocation action must be preceded by an informal notice to the licensee of the intended action and an opportunity for the licensee “to show compliance with all lawful requirements for retention of the license.” MCL 24.292; *Rogers v Cosmetology Board*, 68 Mich App 751; 244 NW2d 20 (1976).

On January 14, 2015, Robin Ancona, Director of the Commission’s Telecommunications Division, initiated informal licensing action against the 19 licensees listed previously in this decision, by sending each licensee a letter. In her January 14, 2015 letter, Ms. Ancona notified each licensee of the following:

1. The purpose of the letter was to “ascertain whether [the] company wishes to retain its license” to provide basic local exchange service in Michigan.
2. The past unsuccessful attempts by the Staff to contact the licensee by regular mail, telephone, and e-mail.

3. The licensee's obligation to "respond to this inquiry no later than 45 days from the date of this letter and indicate if the company intends to retain its license and is providing service, or has ceased operations" and,
4. The failure of the licensee to respond would result in Commission action against the licensee to "revoke [its] license."

At of the February 10, 2016 hearing, Staff report none of the 19 licensees sufficiently responded to Ms. Ancona's letter.

On January 4, 2016, BT Communications Sales LLC f/k/a Concert Communications Sales LLC notified the Commission of its intent to surrender its license to provide basic local exchange service. On January 7, 2016, Dynalink Communications, Inc. notified the Commission of its intent to surrender its license to provide basic local exchange service. On January 19, 2016, the Commission issued orders in cases U-11951 and U-16002 granting each company's request to surrender its license.

On January 22, 2016, Primus Telecommunications, Inc. notified the Commission of its intent to surrender its license to provide basic local exchange service. On February 11, 2016, the Commission issued an order approving Primus' surrender of its license.

On January 25, 2016, iNetworks Group, Inc. notified the Commission of its intent to surrender its license to provide basic local exchange service. On February 11, 2016, the Commission issued an order approving the iNetworks' surrender of its license.

On January 28, 2016, Markur Communications, LLC notified Staff of its intent to surrender its license to provide basic local exchange service. On February 11, 2016, the Commission issued an order approving the Markurs' surrender of its license.

Staff recommends that the licenses of 14 of the 19 companies identified in Staff Exhibit S-2, plus an expansion of a license granted to Navigator Telecommunications, LLC in Case No. U-12557, be revoked by the Commission pursuant to Section 601 (d) of the MTA.

Section 302(1) (a) of the MTA provides in pertinent part:

After notice and hearing, the commission shall approve an application for a license if the commission finds both of the following: (a) The applicant possesses sufficient technical, financial, and managerial resources and abilities to provide basic local exchange service within the geographic area of the license and that the applicant intends to provide service within 1 year from the date the license is granted.

Staff believes that none of the licensees in this matter are providing basic local exchange service as required by Sec. 302(1) (a) or no longer possess sufficient technical, financial, and managerial resources and abilities to provide basic local exchange service within the geographic area of their respective licenses. Staff also believes that some of the licensees are not complying with all federal and state requirements for basic local exchange service in violation of Sec. 305b(c) of the MTA.

III.

POSITION OF THE PARTIES

Staff Direct Testimony

Julie E. Ginevan, Senior Departmental Analyst in the Licensing and Competitive Issues Section of the Telecommunications Division, testified for Staff. Tr 10. Ms. Ginevan testified that Staff recommends revocation of the licenses of 14 of the 19 companies

identified in Staff Exhibit S-2. Tr 13. Staff also recommends the revocation of the expanded license granted to Navigator Telecommunications, LLC in Case No. U-12557.

Id.

Ms. Ginevan testified that none of the licensees are complying with Section 302(1) (a) of the MTA. Tr 13-14.

Section 302 provides in pertinent part:

After notice and hearing, the commission shall approve an application for a license if the commission finds both of the following: (a) The applicant possesses sufficient technical, financial, and managerial resources and abilities to provide basic local exchange service within the geographic area of the license and that the applicant intends to provide service within 1 year from the date the license is granted.

Staff also argues the licensees are violating Sec. 305b(c) of the MTA by failing to comply with all federal and state requirements for basic local exchange service. Id.

Ms. Ginevan testified that Staff reviewed licensee information obtained through the Michigan Department of Licensing and Regulatory Affairs (LARA) Bureau of Commercial Services, Corporation Division RCom database, and information from the Michigan Public Service Commission tariff records Tr 15. That information revealed that several of the companies have neither provided regulated services nor filed tariffs with the Commission. See Exhibit S-1. The companies with tariffs failed to respond to Staff's requests to file their annual public utility assessment forms per Section 211 of the MTA. Id. Staff's Exhibit S-2 provides information regarding a specific licensee's failure to respond to Staff's information requests as required under the MTA or Commission order.

Ms. Ginevan testified that the Commission's Orders granting an applicant its license, specifically state that the licensee "Before commencing basic local exchange U-18008 *et al.*

service [Company] shall submit its tariff reflecting the services that it will offer and identify the exchanges in which it will offer service.” The Order further states that the “grant of a license is conditioned upon the provision of service to customers within a reasonable time. Failure to do so may result in revocation of the license.” Tr 15-16. Ms. Ginevan testified that the 10 non-tariffed licensees in the matter have not sufficiently fulfilled the requirements and conditions to maintain the license and have not indicated to the Commission that they wish to retain their respective licenses. In addition the licensees did not file a tariff or come into compliance with the requirements of their licensing orders or Section 302(1) (a) of the (MTA). Section 302(1)(a) provides that a licensee must “provide basic local exchange service within the geographic area of the license and that the applicant intends to provide service within 1 year from the date the license is granted.” Id.

Ms. Ginevan testified that Staff has made several unsuccessful attempts to contact the companies subject to this proceeding. Those attempts are documented in Exhibit S-2 along with additional information accumulated on the status of each company. Tr 16-17

Ms. Ginevan testified that Staff’s business entity search on the LARA website shows that as of January 11, 2016, 13 of the licensees are no longer authorized to transact business in Michigan. Comnet (USA) 21 LLC, f/k/a CM Tel (USA) LLC. is the only company who is currently listed as active, but all evidence suggests that the company is not currently providing basic local exchange service at this time. Comnet has not responded to staff’s letters, emails, and phone calls. In addition, Comnet did not intervene

by January 25, 2016, pursuant to the Commission's December 22, 2015 Order.
Tr 17-18.

The following is a summary of Ms. Genevan's testimony regarding the business status of each licensee:

Three companies:

Affordable Voice Communications, Inc., Ernest Communications, Inc., and IBC Telecom Corp., are incorporated out of state and their corporations have been automatically withdrawn from Michigan because they have not submitted their required corporate filings with the BCS and are no longer authorized to transact business in this state.

Two companies:

Call Giant, Inc. and MediaGate Communications, Inc., are incorporated in Michigan and have been automatically dissolved for failure to submit their required filings to the BCS. These corporate actions have been done in accordance with the Michigan Corporations Act.

Two LLCs:

Sodium LLC, f/k/a Netarx LLC and Cost plus Communications, LLC, were dissolved and one, Infotelecom, LLC, withdrew.

Four LLCs:

Drenthe Telecom LLC, IBFA Acquisition Co. LLC d/b/a The Farm Bureau Connection, Navigator Telecommunications LLC, and Waypoint Fiber Networks, LLC, are listed as active but not in good standing.

Other:

The City of Hillsdale Advanced Communications Utility of the Board of Public Utilities, was not registered with the BCS, as required.

Tr 18-19

Ms. Ginevan testified that the Michigan Limited Liability Company Act Section 207a (2) provides:

If a domestic limited liability company or a foreign limited liability company authorized to transact business in this state fails to file an annual statement required by section 207 for 2 consecutive years, the administrator shall notify the company of the consequences of the failure to file under subsection (3).

Subsection (3) provides as follows

If a limited liability company does not file all annual statements it has failed to file, and the applicable fees, within 60 days after the administrator's notice under subsection (2) is sent, the limited 1 liability company is not in good standing. A limited liability company that is not in good standing is not entitled to issuance by the administrator of a certificate of good standing described in subsection (1), the name of the company is available for use by another entity filing with the administrator, and the administrator shall not accept for filing any document submitted by the limited liability company other than a certificate of restoration of good standing provided for in subsection (4).

Id.

Ms. Ginevan also testified regarding Staff attempts to contact the licensees by certified letter. She testified that on January 14, 2015, Staff sent the 14 licensees a certified letter which required each licensee to respond within 45 days of the date of the letter. The letter also informed each licensee that if it failed to respond, the Commission would initiate a license revocation. Tr 18-19. Exhibit S-2 provided detailed information regarding the certified letter mailing results. Exhibit S-4 provides copies of the letters sent to the 10 non-tariffed licensees.

Ms. Ginevan testified that after the mailing of the January 14, 2015 letters, only one licensee responded. Tr 20. Comnet (USA) f/k/a CMTel (USA) LLC representatives contacted Staff and indicated that it would like to retain its license, despite the fact that Comnet was not providing basic local exchange services to any Michigan customers. Staff provided Comnet with the necessary license surrender paperwork but Comnet failed

to return any completed paperwork. Ms. Ginevan testified that Staff is requesting that Comnet (USA) f/k/a CMTel (USA) LLC's license be revoked. Tr 21.

Respondent/ Licensees Direct Testimony

None of the licensees in this matter filed testimony therefore no testimony was admitted into the record.

IV.

DISCUSSION

On December 22, 2015, the Commission issued a Show Case Order directing Affordable Voice Communications, Inc., BT Communications Sales LLC, f/k/a Concert Communications Sales LLC, Call Giant, Inc., f/k/a Bell Connect, Inc., City of Hillsdale Advanced Communications Utility of the Board of Public Utilities, Comnet (USA) LLC, f/k/a CM Tel (USA) LLC, Cost Plus Communications, LLC, Drenthe Telecom LLC, Dynalink Communications, Inc., Ernest Communications, Inc., IBC Telecom Corp, IBFA Acquisition Co. LLC, iNetworks Group, Inc., Infotelecom, LLC, Markur Communications, LLC, MediaGate Communications, Inc., Navigator Telecommunications LLC, Netarx LLC, Primus Telecommunications, Inc., and Waypoint Fiber Networks, LLC, f/k/a Waypoint Telecommunications, LLC. to show cause why each licensee should not be found to be in violation of Section 302 of the Michigan Telecommunications Act, 1991 PA 179, MCL 484.2101 *et seq.* (MTA)

Pursuant to the licensing provisions set forth in Section 302, the Commission granted each licensee in this matter a license to provide basic local exchange service in Michigan. Section 302 provides in pertinent part:

After notice and hearing, the commission shall approve an application for a license if the commission finds both of the following: (a) The applicant possesses sufficient technical, financial, and managerial resources and abilities to provide basic local exchange service within the geographic area of the license and that the applicant intends to provide service within 1 year from the date the license is granted.

MCL.484.2302

The undisputed evidence, provided in the Staff's testimony and exhibits, shows that none of the licensees in this matter are currently providing basic local exchange services in Michigan. Therefore, I find that there is a preponderance of the evidence that none of the licensees are complying with Section 302 of the MTA.

All licenses in this matter are also required to comply with Section 305b(c) of the MTA.

Section 305b(c) provides in pertinent part:

A provider of any telecommunication service shall do all of the following:

(c) Comply with all federal and state requirements regarding truth in billing, E 9-1-1 services, and basic local exchange service.

MCL 484.2305b(c)

The undisputed evidence presented in Staff's testimony and exhibits shows that none of the licensees are in compliance with section 305b(c) of the MTA. Therefore, I find there is a preponderance of the evidence that none of the licensees are complying with section 305b(c) of the MTA.

The undisputed evidence also shows that some of the licensees in this matter were operating as Michigan limited liability entities and that those same entities are not in good standing with the State of Michigan. The Michigan Limited Liability Company Act Section 207a (2) provides in pertinent:

If a domestic limited liability company or a foreign limited liability company authorized to transact business in this state fails to file an annual statement required by section 207 for 2 consecutive years, the administrator shall notify the company of the consequences of the failure to file under subsection (3).

MCL 450.4207a(2)

Subsection (3) provides as follows:

If a limited liability company does not file all annual statements it has failed to file, and the applicable fees, within 60 days after the administrator's notice under subsection (2) is sent, the limited liability company is not in good standing. A limited liability company that is not in good standing is not entitled to issuance by the administrator of a certificate of good standing described in subsection (1), the name of the company is available for use by another entity filing with the administrator, and the administrator shall not accept for filing any document submitted by the limited liability company other than a certificate of restoration of good standing provided for in subsection (4).

MCL 450.4207a (3)

Staff Exhibit S- 2 provides undisputed evidence regarding each licensee's current business status and response to Staff's January 14, 2015 certified letter, and information regarding Staff's attempts to communicate with each licensee. The information contained in Exhibit S-2 is undisputed. The following is a summary of the information provided in Exhibit 2 and other undisputed information provided by Staff for each licensee. The information provided also includes my findings and recommendations to the Commission.

Affordable Voice Communications, Inc.

The Commission granted this license in Case No. U-14047 to provide basic local exchange services in the LATA exchanges currently served by SBC Michigan, Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, and other incumbent local exchange carriers. Michigan Department of Licensing and Regulatory Affairs (LARA) Bureau of Commercial Services (BCS), Corporation Division records indicate that on July 15, 2012, the licensee's corporation status was automatically withdrawn. Staff's January 14, 2015 certified letter was returned on January 18, 2015, as undeliverable. The licensee has failed to respond to numerous Staff requests for information. See Exhibit S-2 Column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

BT Communications Sales LLC, f/k/a Concert Communications Sales LLC

On January 4, 2016, BT Communications Sales LLC f/k/a Concert Communications Sales LLC, notified Staff of its intent to surrender its license to provide basic local exchange service. On January 19, 2016, the Commission issued an order in Case No. U-11951 granting the licensee's request to surrender its license.

Call Giant, Inc., f/k/a Bell Connect, Inc.

The Commission granted this license in Case No. U-12742 to provide basic local exchange service. LARA BCS records indicate that on July 15, 2014, the licensee's corporation status was automatically dissolved. Staff's January 14, 2015 certified letter was returned on January 21, 2015 as undeliverable. This licensee has failed to respond to numerous Staff requests for information. See Exhibit S-2 Column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

City of Hillsdale Advanced Communications Utility of the Board of Public Utilities

The Commission granted this licensee in Case No. U-12484 to provide basic local exchange service in selected exchanges currently served by Ameritech Michigan. This licensee is not registered with LARA BCS. Staff's January 14, 2015 certified letter was returned on February 6, 2015, as undeliverable. Staff was contacted on January 20, 2016, and told that the licensee did not wish to retain its license. No tariff was filed with the Commission. See Exhibit 2 column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I

recommend that the Commission revoke this licensee's license to provide basic local exchange service.

Comnet (USA) LLC, f/k/a CM Tel (USA) LLC

The Commission granted this license in Case No. U-13810 to provide basic local exchange service in the zone and exchange areas presently served by Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, and SBC Ameritech Michigan. This licensee is registered as an active LLC with LARA BCS. Staff's January 14, 2015 certified letter was received on January 23, 2015. On April 16, 2015, Staff sent licensee information on how to file a tariff or surrender license. Subsequently neither was filed with the Commission.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

Cost plus Communications, LLC

The Commission granted this license in Case No. U-14931 to provide basic local exchange service throughout Michigan in the zones and exchanges served by Verizon North Inc., Contel of the South, Inc., d/b/a Verizon North Systems, and AT&T Michigan. According to information obtained from LARA BCS, this LLC was dissolved on May 28, 2013. Staff's January 14, 2015 certified letter was received on January 16, 2015. No

Tariff was filed. This licensee has failed to respond to Staff's request for information. See Exhibit 2 column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

Drenthe Telecom LLC

The Commission granted this license in Case No. U-16236 to provide basic local exchange service. According to information obtained from LARA BCS, this LLC is active but as of February 19, 2013, is not in good standing. Staff's January 14, 2015 certified letter was received but the return card was never received by Staff. No tariff was filed. This licensee responded to some Staff emails, but failed to respond to Staff's requests for information. See Exhibit 2 column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

Dynalink Communications, Inc.

On January 7, 2016, Dynalink Communications, Inc. notified Staff of its intent to surrender its license to provide basic local exchange service. On January 19, 2016, the U-18008 *et al.*

Commission issued an order in Case No. U-16002 granting the licensee's request to surrender its license.

Ernest Communications, Inc.

The Commission granted this license in Case No. U-12993 to provide basic local exchange service throughout the State of Michigan in the zone and exchange areas served by Ameritech Michigan, Verizon North Inc., Contel of the South, Inc., d/b/a Verizon North Systems, CenturyTel of Michigan, Inc., CenturyTel of Northern Michigan, Inc., CenturyTel Midwest, Inc., and CenturyTel of the Upper Peninsula, Inc. LARA BCS records indicate that on July 15, 2015, the licensee's corporation status was automatically withdrawn. Staff's January 14, 2015 certified letter was returned on January 29, 2015 as undeliverable. On November 25, 2013, Staff provided the licensee with information to surrender its license but the licensee failed to respond. Staff made numerous unsuccessful attempts to contact the licensee. See Exhibit S-2, page 2, column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

IBC Telecom Corp.

The Commission granted this license in Case No. U-16391 for a license to provide basic local exchange service. LARA BCS records indicate that on July 15, 2013, the licensee's corporation status was automatically withdrawn. Staff's January 14, 2015 U-18008 *et al.*

certified letter was returned on February 7, 2015, as undeliverable. On November 25, 2013, Staff made numerous unsuccessful attempts to contact this licensee. See Exhibit S-2, page 2, column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

IBFA Acquisition Co. LLC

The Commission granted this license in Case No. U-14479 to provide basic local exchange service in the LATA exchanges currently served by SBC Michigan and Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems. According to information obtained from LARA BCS, this LLC is active but as of February 17, 2015, is not in good standing. Staff's January 14, 2015 certified letter was received on January 26, 2015. This licensee failed to respond to Staff's requests for information. See Exhibit 2, page 2, column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

iNetworks Group, Inc.

The Commission granted this license in Case No. U-15798 to provide basic local exchange service. On January 25, 2016, iNetworks Group, Inc. notified the Commission of its intent to surrender its license to provide basic local exchange service. On February 11, 2016 the Commission issued an order approving the licensees' surrender of this license.

Infotelecom, LLC

The Commission granted this license in Case No. U-14433 to provide basic local exchange service throughout the State of Michigan in the zone and exchange areas served by Verizon North Inc. and Contel of the South, Inc., d/b/a Verizon North Systems, and SBC Michigan. LARA BCS records indicate that on October 23, 2013, the licensee's corporation status was withdrawn. Staff's January 14, 2015 certified letter was delivered on January 20, 2015. No tariff has been filed. On April 2, 2015, Staff sent the licensee, and its attorney, the information required to surrender the license. Subsequently, Staff made unsuccessful attempts to contact this licensee. See Exhibit S-2, page 2, column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

Markur Communications, LLC

The Commission granted this license in Case No. U-15435 to provide basic local exchange service throughout the State of Michigan. On January 28, 2016, Markur Communications, LLC notified Staff of its intent to surrender its license to provide basic local exchange service. On February 11, 2016, the Commission issued an order approving the licensees' surrender of this license.

MediaGate Communications, Inc.

The Commission granted this license in Case No. U-12870 for a license to provide basic local exchange service in all zones and exchanges in the service areas of Verizon North Inc., Verizon North Systems, CenturyTel of Michigan, Incorporated, CenturyTel of Northern Michigan, Incorporated, CenturyTel of Midwest-Michigan, Incorporated, and CenturyTel of Upper Michigan, Incorporated. LARA BCS records indicate that on July 15, 2011, the licensee's corporation status was automatically withdrawn. Staff's January 14, 2015 certified letter was received on January 16, 2015. On November 25, 2013, Staff made numerous unsuccessful attempts to contact this licensee. See Exhibit S-2, page 2, column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

Navigator Telecommunications LLC

The Commission granted this license in Case No. U-11848 for a license to provide basic local exchange service on a resold basis in selected Ameritech Michigan exchanges. Also, the Commission granted a license amendment in Case No. U-12557 to amend the geographic service area of its license to provide basic local exchange service to encompass all of the zones and exchanges in Michigan currently served by GTE North Incorporated, Contel of the South, Inc., d/b/a GTE Systems of Michigan, and Ameritech Michigan. According to information obtained from LARA BCS, this LLC is active, but as of February 17, 2015, is not in good standing. Staff's January 14, 2015 certified letter was returned on January 27, 2015, as undeliverable. This licensee failed to respond to Staff's numerous requests for information. See Exhibit 2, page 2, column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

Netarx LLC

The Commission granted this license in Case No. U-16286 for a license to provide basic local exchange service. According to information obtained from LARA BCS, this LLC was dissolved on December 12, 2015, and changed its name to Sodium LLC. The Commission was not notified of this change. Staff's January 14, 2015 certified letter was

received on January 16, 2015. No tariff was filed. On September 11, 2012, Staff sent the licensee information on how to surrender its license. The licensee failed to respond to the surrender information and also failed to respond to subsequent Staff requests for information. See Exhibit 2, page 2, column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

Primus Telecommunications, Inc.

The Commission granted this license in Case No. U-12360 to provide basic local exchange telecommunications service in all exchanges and zones currently served by Ameritech Michigan, GTE North Incorporated, and Contel of the South, Inc., d/b/a GTE Systems of Michigan. On January 22, 2016, Primus Telecommunications, Inc. notified the Commission of its intent to surrender its license to provide basic local exchange service. On February 11, 2016, the Commission issued an order approving the licensees' surrender of this license.

Waypoint Fiber Networks, LLC, f/k/a Waypoint Telecommunications, LLC.

The Commission granted this license in Case No. U-13090 for a license to provide basic local exchange service. According to information obtained from LARA BCS, this LLC is active but as of February 16, 2010, is not in good standing. No tariff has been filed. Staff's January 14, 2015 certified letter was returned on February 12, 2015, as U-18008 *et al.*

undeliverable. This licensee failed to respond to Staff's numerous requests for information. See Exhibit 2, page 2, column d.

The undisputed evidence presented shows that this licensee is not providing basic local exchange services in Michigan. I find there is preponderance of evidence that this licensee is not complying with Section 302 and Section 305b(c) of the MTA. Therefore, I recommend that the Commission revoke this licensee's license to provide basic local exchange service.

V.

CONCLUSION

I recommend the Commission adopt my findings that the following licensees are not in compliance with Section 302 and Section 305b(c) of the MTA and adopt my recommendations that the Commission revoke the following licenses to provide basic local exchange service:

Affordable Voice Communications, Inc.

Call Giant, Inc., f/k/a Bell Connect, Inc.

City of Hillsdale Advanced Communications Utility of the Board of Public Utilities

Comnet (USA) LLC, f/k/a CM Tel (USA) LLC

Cost plus Communications, LLC

Drenthe Telecom LLC

Ernest Communications, Inc.

IBC Telecom Corp

IBFA Acquisition Co. LLC

Infotelecom, LLC

MediaGate Communications, Inc.

Navigator Telecommunications LLC (Case No. U-12557 and U-11848)

Netarx LLC

Waypoint Fiber Networks, LLC, f/k/a Waypoint Telecommunications, LLC.

MICHIGAN ADMINISTRATIVE HEARING
SYSTEM

For the Michigan Public Service Commission

**Martin D.
Snider**

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Martin D. Snider
Administrative Law Judge

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